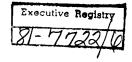


DEPARTMENT OF STATE

Washington, C.C. 20520

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UNCLASSIFIED WITH SECRET ATTACHMENT

July 15, 1981

FOR ADDRESSEES:

Subject: East-West Policy Study

Attached are three pages of the East-West study package which were flawed in reproduction when sent yesterday. Please insert in your copies.

The pages are:

I - 4 V - 1 VIII - 8

Attachments:

As stated.

Tain P. Tompkins

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State Dept. review completed

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As the United States adopts a new approach to East-West relations, it must attempt to forge a new consensus within the Atlantic alliance in support of its policies. This attempt will be made against the background of the following trends:

- -- The growth of Soviet power at all levels in Europe, increasing the traditional Soviet advantage in conventional forces, and erasing earlier US advantages in nuclear forces.
- -- Allied doubts about the constancy of US .eadership and the reliability of the US security guarantee
- -- Acute and growing allied dependence on the petroleum of the Middle East and on other strategic resources.
- -- Extensive Western European economic engarement with the USSR and Eastern Europe, which have supported this trade by massive borrowing from the West.
 - -- Fear that post-war economic prosperity is endangered.
- -- Political instability, in which the ruling. governments often are weak and divided coalition: . .
 - -- Increasing pacifist sentiments in some countries.

At their worst, these trends have robbed some European countries of their stomach for competition with Moscow, with a resultant growth of sauve qui peut policies and a weakening of the Atlantic alliance. More generally, allied governments regard these trends as imposing major constraints on their freedom of action, which can only be recovered over time.

These constraints will continue to hamper Western policies even in cases where our allies desire a change in direction. Recent years have brought a growing (albeit grudging) European appreciation that hopes for detente remain unrealized. Afghanistan was a shock for many but policy still has not yet caught up with reality in most European capitals. Many allied officials continue to feel that they must pursue a "divisible detents," thereby seeking to decouple European security from Soviet activities outside the NATO treaty area. We are not dealing with "Finlandization" and Western Europe is not slipping toward the Soviet orbit. Rather, Europeans are exhibiting

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stance and West remease anomals: WMLPDBe4HEDgadFibes 007500eh0 in advance of actual improvements in the defense bilance. But to succeed, US leadership of such a reorientati in must be convincing. This will require that it be consistent and realistic in the eyes of our friends and allies. Continuing demonstrations are needed that a new course will be sustained and will become permanent. Changes is course or early failures will squander what confidence and sense of momentum we are able to inspire by a firmer rhe corical approach. Nothing could be more damaging than to raise doubts that an enduring change has taken place.

-- Second, to restore a favorable military lalance.

Having achieved a domestic consensus on the need to arrest and reverse adverse trends in the East-Wist military balance, we must design, organize, and deploy our forces in ways that optimize both their deterrent value and their combat effectiveness. Because of the scale and pace of recent Soviet military construction, U.S. force will have to be increased at every level; improvements are needed both to meet new Soviet conventional capabilities and increases in Soviet power projection, and to provide a wider menu of nuclear options with which the U.S. cannot only threaten escalation but dominate an actual escalation process. Because of its magnitude, this build-up will have to proceed in accord with strictly defined priorities and as part of a long-term defense plan.

and other states that share our interests, as part of an integrated global strategy.

We can neither do everything on our own nor justify unilateral U.S. responses when other interests are engaged as much if not more than our own. Kay elements of our strategy for restoring a more satisfactory military balance require allied cooperation. Hence, for practical political reasons, and for reasons relating to our collective strength, we must work closely with our allies.

-- U.S. policy will seek to repair and comert relations in <u>Europe</u> in order to reduce Soviet leverage, to snsure allied support for key defense programs and to use the combined resources of the Europeans to contain the Soviets locally and counter them in areas of critical importance to the West -- especially the vital Persian Gulf. The U.S. will work with leaders of the NATO states, where possible to break the constraints that have hindered fuller contributions to the common defense.

In East Asia, the U.S. will sack to bolster our allies, especially Japan, and cooperate with China to limit the expansion of Soviet power in this region. Our strategic association with China will continue to aim at tying down a significant portion of the Soviet military establishment, and at preventing either a direct Soviet attack or a Sino-Soviet reconciliation. The U.S. will create a stable regional environment in which Japanese 1002198000406500090 be strenderweaghforEdease 2007/07/08 CIA-RDP84B000498000406500090 be strenderweaghforEdease 2007/07/08 CIA-RDP84B0004980004065500090 but resources to the defense of Western interests elsewhere.

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and Soviet energy weakness is correct, however, a path of rigid Soviet opposition to East European change could have highly counterproductive consequences for Moscow forcing the USSR to contemplate a series of rolling cris s and internal disruptions within Eastern Europe and the possible need for their repeated use of military force.

If the Soviets adopt a more rigid long-term posture and reject change, we may want to consider a set of policies designed to heighten the costs of this course for loscow. This would be particularly applicable in the mid-term following a Soviet invasion of Poland. For the longer term, however, this would be a more high-risk and speculative US approach, which would render the East Europeans hostage to great power confrontation tactics. In addition it would be very difficult to gain allied support for such a policy.

The Polish crisis illuminates and encompasses all of the factors described above, as well as the significant constraints on US influence in Eastern Europe. Future US policy toward the region will be heavily influenced by the outcome of the Polish experiment. An invasion involving East European troops will freeze contacts for a protracted period and present us with major strategic questions regarding our East European policy.

If the Poles muddle through, retaining and perhaps building on the remarkable political and economic reforms already achieved, the Soviets can anticipate further demands for change in other parts of Eastern Europe. In this sense, the present Polish crisis constitutes a major effort to testand stretch—the limits of Soviet tolerance of political diversity in Eastern Europe. The Soviet response will carry potentially enormous implications for East-West relations, whether Moscow intervenes or permits the Polish experiment to continue.